

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION -- DIVISION OF FINANCIAL ASSISTANCE  
NOVEMBER 15, 2006**

**ITEM 4**

**SUBJECT**

CONSIDERATION OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE (CBI) GRANT FUNDS TO THE SANTA CRUZ COUNTY SANITATION DISTRICT (DISTRICT) FOR THE CAPITOLA ESPLANADE SEWER REPLACEMENT PROJECT (PROJECT) CAPITOLA BEACH; CBI GRANT PROGRAM; CBI PROJECT NO. 317

**DISCUSSION**

In accordance with the authority established in the Clean Beaches Program of the *Watershed, Clean Beaches, and Water Quality Act* (Act) (Public Resources Code, §30915, et. seq.), the State Water Resources Control Board (State Water Board) can award grants up to \$5 million per project to local agencies and non-profit organizations to implement projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. In addition to meeting the objective of the Act, all projects receiving grants from the Clean Beaches Program are required to meet the following criteria:

- (a) projects shall be consistent with California's nonpoint source control program;
- (b) projects shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years;
- (c) projects shall address the causes of degradation, rather than the symptoms;
- (d) projects shall be consistent with water quality and resource protection plans prepared, implemented, or adopted by the State Water Board, the applicable Regional Water Quality Control Board (Regional Water Board), and the State Coastal Conservancy (SCC);
- (e) projects shall be reviewed by the State Water Board in consultation with the SCC and the Clean Beaches Task Force (CBTF) appointed by the State Water Board to review projects and make recommendations for grant funding;
- (f) applicants shall inform the State Water Board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the Project, and applicants shall certify to the State Water Board at the appropriate time that such approvals, entitlements, and permits have been granted;
- (g) projects shall be consistent with recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species;
- (h) applicants shall be required to submit to the State Water Board a monitoring and reporting plan;
- (i) upon completion of the project, the recipient of the funds shall submit a report to the State Water Board that summarizes the completed activities and indicates whether the purpose of the project has been met;
- (j) the State Water Board must provide opportunity for public review and comment in awarding the funds; and
- (k) Grant funds can only be used for the costs of construction or acquisition of capital assets as specified in Section 16727 of the Government Code.

For ease of implementation, the State Water Board divided the funding solicitation into two phases. In the second funding phase, the Clean Beaches Task Force (CBTF) recommended, and the State Water Board adopted, a Competitive Location List (CLL) on April 21, 2005 (Resolution No. 2005-0028). The CLL was designed to target specific beaches that are known to have persistent bacterial water quality problems such as a beach that is frequently or permanently posted with signs warning beachgoers of the risks associated with exposure to beach waters. To date, the CBTF has recommended all of the \$22.2 million available for Phase Two projects.

The Project consists of replacing approximately 4,300 feet of sewer collection lines, four brick manholes and up to 22 other manholes. These lines are rigid clay pipe or asbestos cement pipe that were constructed around 1960. By replacing the sewer lines with plastic pipe and the manholes with cement and mortar, the seepage from the sewers in these areas should be eliminated.

The proposed Project will assist in obtaining the Regional Water Quality Control Board's objective to protect water quality and preserve beneficial uses including recreation at the beach. Soquel Creek is the primary source of bacteria at Capitola Beach with the highest bacteria levels occurring from Noble Gulch and downstream of Stockton Avenue Bridge. The human contribution of the bacteria is greatest in Soquel Creek and the ocean near the creek mouth. Eliminating the leaking sewer lines near the mouth of the creek should reduce the human contribution of bacteria.

The effectiveness of the Project will be measured according to an approved Monitoring and Reporting Plan, and the results will be reported in a Final Project Report. The infrastructure will be designed to have a minimum useful life of 20 years, and will be incorporated into the District's maintenance management program.

Capitola Beach West of the Jetty is on the State Water Board's approved CLL. The CBTF reviewed the District's proposal and recommended the Project for funding at the August 30, 2006, meeting. The District will adopt a Resolution designating an authorized representative for the Project.

The total cost of the Project is estimated to be \$ 851,372. The grant amount recommended for the Project by the CBTF is 25 percent of the Project costs plus an additional \$15,000 for monitoring; therefore, the District requests a CBI grant of \$227,843 for the Project.

The District filed a Notice of Exemption with the Santa Cruz County Clerk on October 3, 2006 for the proposed Capitola Esplanade Sewer Replacement Project. A categorical exemption from California Environmental Quality Act (CEQA) requirements was applied to the District's project because the project consists of replacing approximately 4,300 feet of sewer collection lines, four brick manholes and up to 22 other manholes [Class 1, Maintenance and repair of existing facilities not having any adverse affect on environmental resources, CEQA Guidelines Section 15301]. State Water Board staff has reviewed and considered the District's Notice of Exemption and has determined that the Project qualifies for a Class 1 Categorical Exemption from CEQA requirements, and will not result in any significant water quality impacts.

## **FISCAL IMPACT**

The Act appropriated \$43.7 million to the CBI Program for grants up to \$5 million per project to restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. This project will be funded by the CBI Program, and will have the following fiscal impact.

Proposition 40 Funding	\$ 43,700,000
Total Previous Commitments	\$ 35,274,268
Funds Available for Current Commitments	\$ 8,425,732

### **State Water Board Funding Commitments for November 2006:**

<u>County of Santa Cruz, CBI Grant #316</u>	<u>\$ 490,000</u>
<u>County of Santa Cruz, CBI Grant #317</u>	<u>\$ 227,843</u>
<u>Port of San Francisco, CBI Grant #318</u>	<u>\$ 1,800,000</u>
<u>County of Los Angeles, CBI Grant #319</u>	<u>\$ 106,800</u>
<u>County of Los Angeles, CBI Grant #320</u>	<u>\$ 106,800</u>

Funds Remaining for Future Commitments	\$ 5,694,289
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**REGIONAL WATER BOARD IMPACT**

The Central Coast Water Board has reviewed the Project and determined that it is consistent with existing water quality control plans.

**POLICY ISSUE**

Should the State Water Board approve CBI grant funding for the District's Proposed Project?

**STAFF RECOMMENDATION**

That the State Water Board approve a CBI grant commitment of \$227,843 for the District's Project.

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2006 -**

APPROVAL OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE (CBI) GRANT FUNDS TO SANTA CRUZ COUNTY SANITATION DISTRICT (DISTRICT) FOR THE CAPITOLA ESPLANADE SEWER REPLACEMENT PROJECT (PROJECT) CAPITOLA BEACH; CBI GRANT PROGRAM;  
CBI PROJECT NO. 317

**WHEREAS:**

1. The *Watershed, Clean Beaches, and Water Quality Act* (Act) (Public Resources Code §30901) was signed into law on September 20, 2002. The Act appropriated \$46 million from Proposition 40 for additional CBI grants to help non-profit organizations and public agencies implement projects that protect and restore California's coastal water;
2. The CBI funds appropriated in the Act are available for encumbrance up to December 31, 2006;
3. The State Water Resources Control Board (State Water Board), on April 21, 2005, adopted the CBI Competitive Location List (CLL), which included Capitola Beach West of the Jetty;
4. The Clean Beaches Task Force (CBTF) reviewed the District's proposed Project at Capitola Beach West of the Jetty, and recommended it for funding at the August 30, 2006 meeting; and
5. The District has prepared a Notice of Exemption, which has been reviewed and considered, and State Water Board staff has determined that the project qualifies for a Class 1 Categorical Exemption from CEQA requirements, and will not result in any significant water quality impacts.

**THEREFORE BE IT RESOLVED THAT:**

The State Water Board approves a CBI grant for the District's Project not to exceed \$227,843 from the *Act*.

**CERTIFICATION**

The undersigned, Clerk to the Board, does hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on November 15, 2006.

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Clerk to the Board